Rise in prices of essential commodities

*39. SHRI K.E. ISMAIL:
SHRI SANJAY RAUT:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the sky-rocketing prices of essential commodities during the last few months;

(b) if so, the details thereof; and

(c) what steps are being taken to check the price rise and inflation and with what results?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Sir, the WPI based weekly inflation for essential commodities for the last six months indicated in table 1 below:

WPI based weekly Inflation for essential commodities (%) 2006-07 (August 5, 2006—Feb. 10, 2007)

End of week	Inflation	End of week	Inflation	End of week	Inflation	End of week	Inflation
5-Aug	4.90	23-Sep	7.76	11-Nov	6.93	30-Dec	6.56
12-Aug	5.17	30-Sep	8.11	18-Nov	6.33	6-Jan	6.11
19-Aug	5.43	7-Oct	7.72	25-Nov	5.95	13-Jan	5.44
26-Aug	5.74	14-Oct	7.77	2-Dec	5.79	20-Jan	4.83
2-Sep	6.22	21-Oct	7.31	9-Dec	6.58	27-Jan	4.96
9-Sep	7.10	28-Oct	7.12	16-Dec	6.63	3-Feb	5.57
16-Sep	7.04	4-Nov	7.33	23-Dec	6.70	10-Feb	4.51

Figures are provisional from January 23, 2007

(c) The recent steps taken by Government to control inflation include:

- Reduction in retail prices of petrol by Rs. 2 per litre and diesel by Rs. 1 per litre in November, 2006 and again in February, 2007.
- State Trading Corporation contracting for import of 55 lakh tonnes of wheat to supplement domestic availability, of which 49.4 lakh tonnes had arrived by February 13, 2007.
- As against normal applicable duty of 50 per cent, allowing private trade to import wheat at 5 per cent duty from June 28, 2006, and at zero duty from September 9, 2006.

- Decision to release up to 4 lakh tonnes of wheat under Open Market Sale Scheme in February and March, 2007.
- Ban on export of wheat from February 9, 2007.
- Reduction in customs duty on import of pulses to zero on June 8, 2006.
- Ban on export of pulses with effect from June 22, 2006.
- NAFED importing 49,300 tonnes of pulses. Under a new contract executed by NAFED in December, 2006 to import 30,000 tonnes of pulses, 10,675 tonnes had been shipped by February 13, 2007.
- To contain volatility in the futures prices of wheat, sugar and pulses, Forward Markets Commission (FMC) has imposed limits on open position, reduced limits on daily fluctuations and imposed additional/special margins.
- Ban on futures trading in tur and urad from January 24, 2007.
- Reduction in import duty on palm group of oils by 10 percentage points in August, 2006 and by a further 10-12.5 percentage points in January, 2007. Maintaining tariff value for assessing import duty unchanged at July, 2006 level.
- Ban on export of skimmed milk powder.
- Steps were taken by Reserve Bank of India to reduce liquidity in the system by increasing the cash reserve ratio and repo rates.

Price of LPG

†*40. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that a proposal is being worked out to fix dual prices of LPG by Government in the country;

†Original notice of the question was received in Hindi.